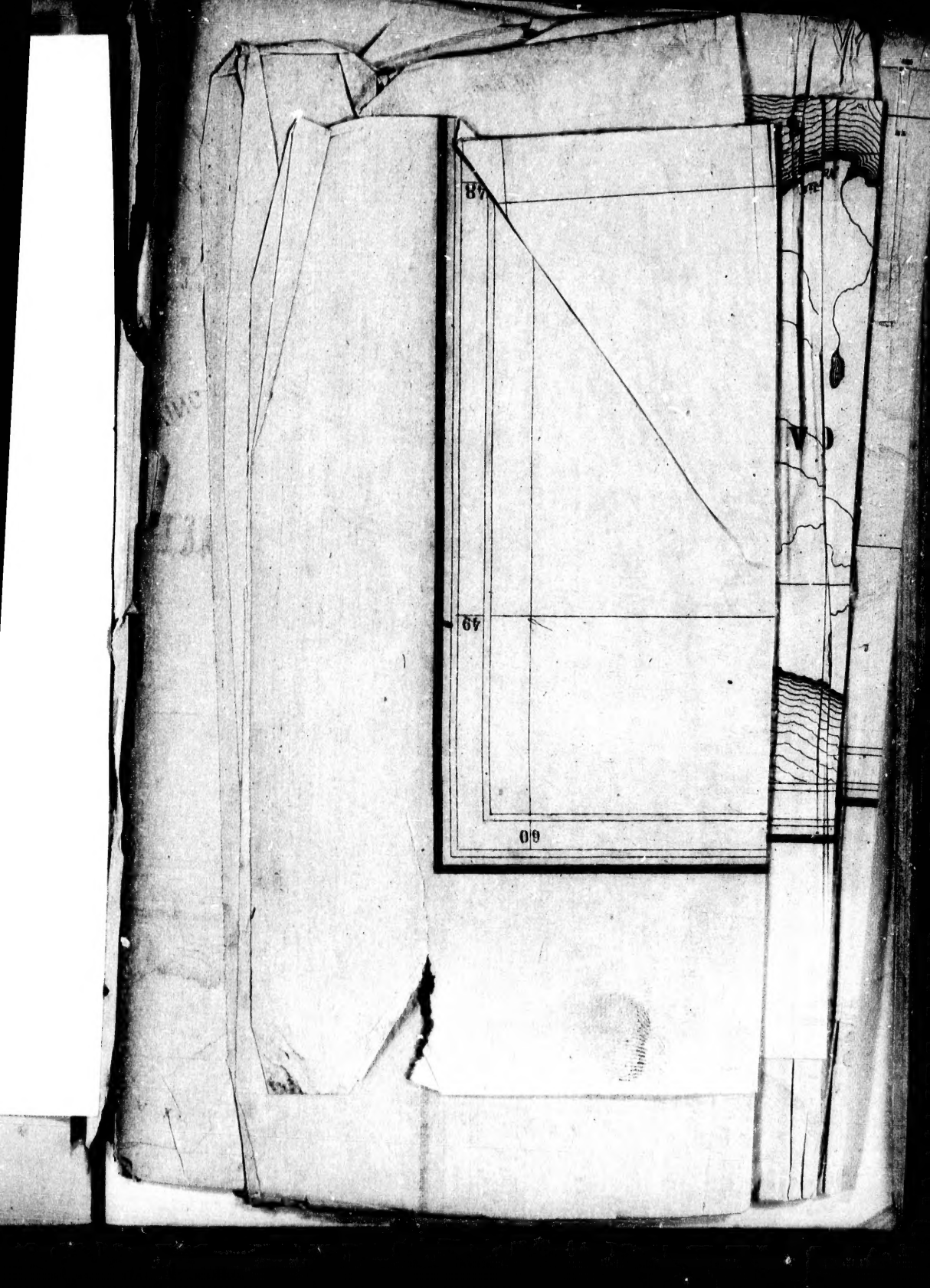
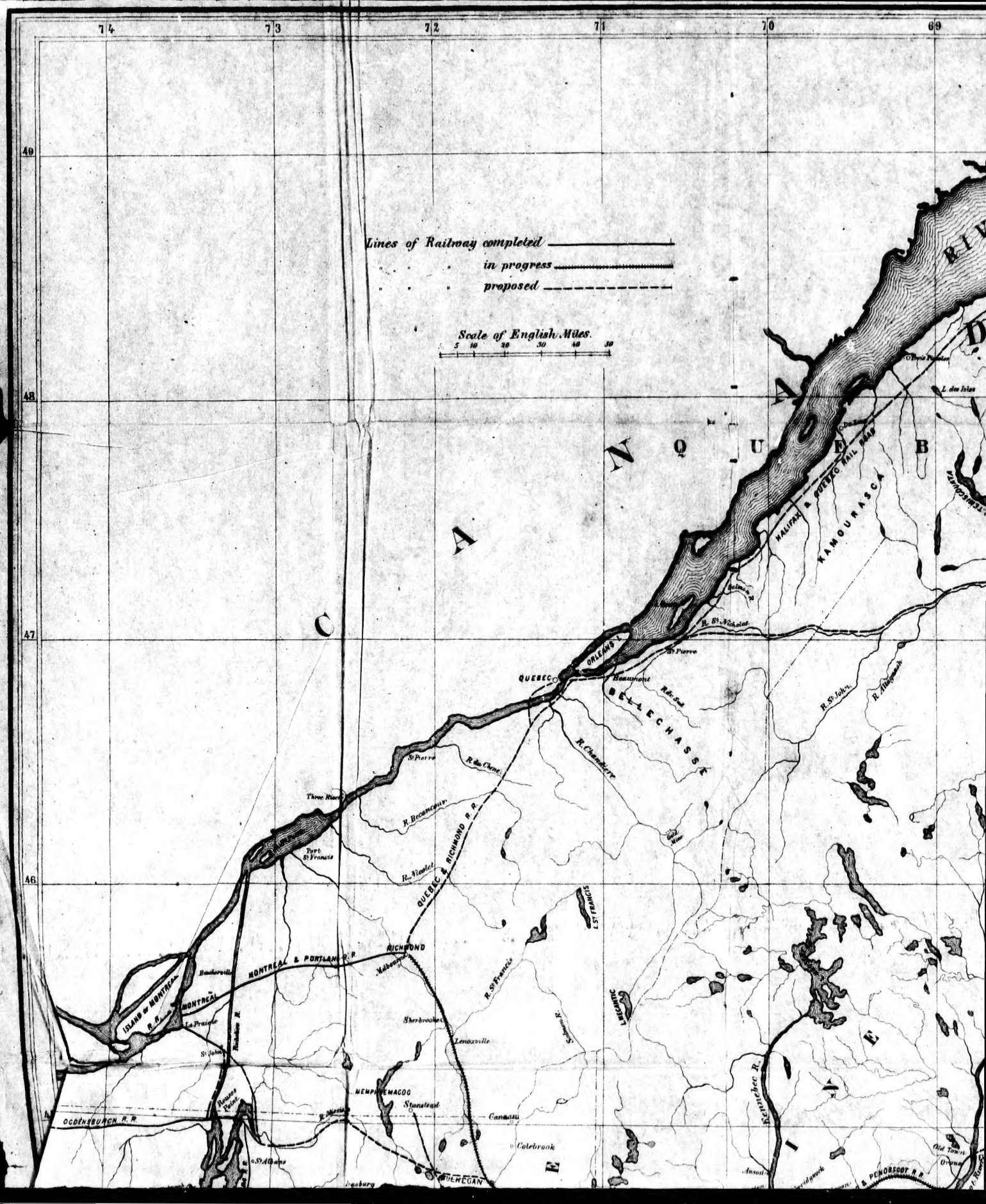
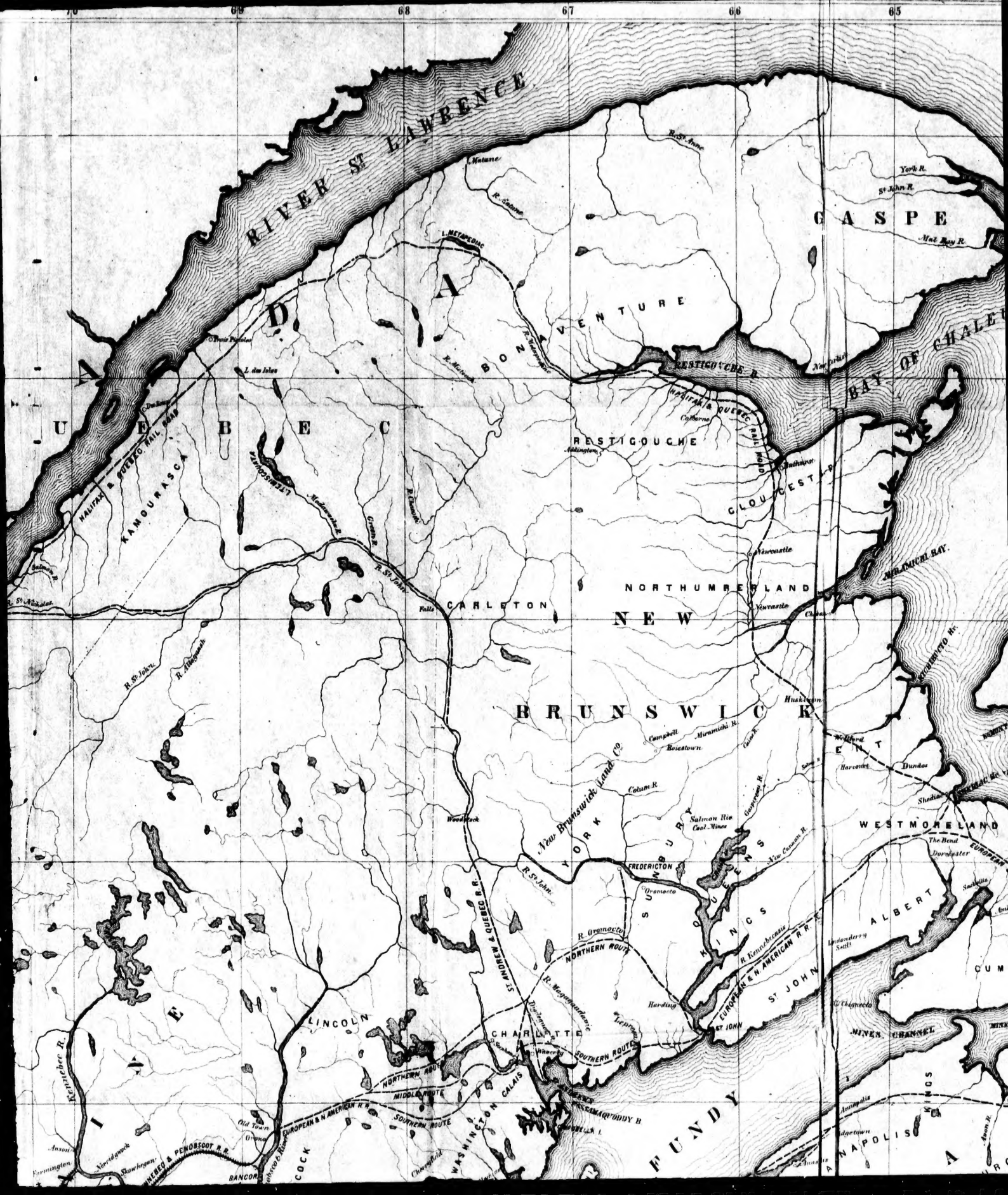








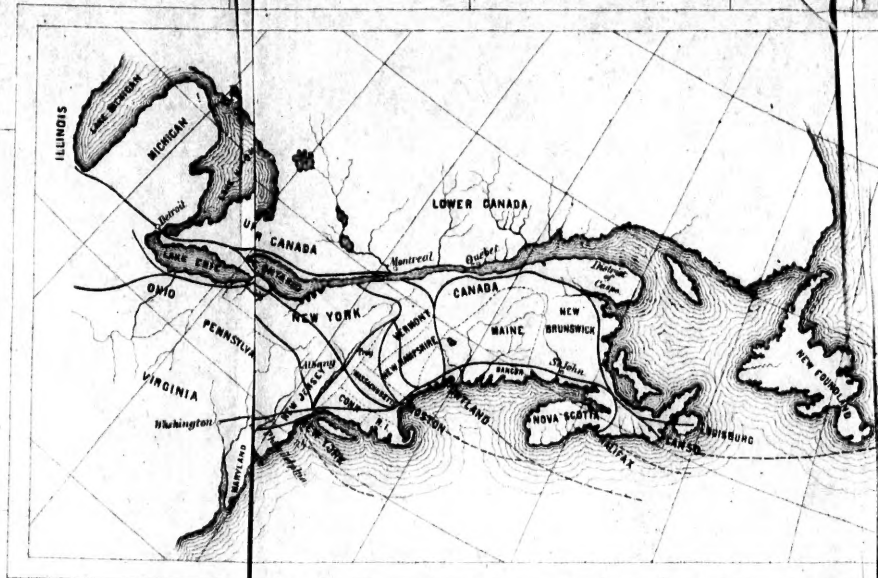








BAY OF MAINE
BAY OF FUNDY
OCEAN



SHOWING THE PLAN FOR
NEW YORK

Canal to Gateway

70

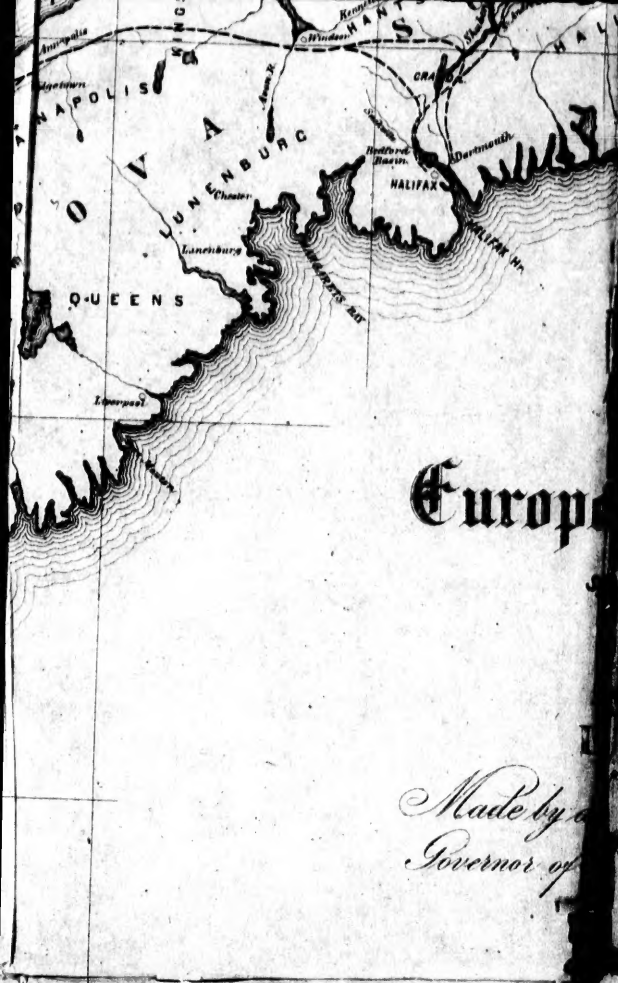
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MAP
of the
European and North American
RAILWAY.

SHOWING ITS CONNECTION WITH THE RAILWAYS OF THE
UNITED STATES & CANADA.

*By direction of His Excellency John Hubbard
Governor of Maine under the Resolve of Aug 20th 1850.*

A. C. Morton
Engineer.

J. B. Cummings del.

B. W. Thayer & Co's Lith. Boston.

MAP

SHOWING THE PLAN FOR SHORTENING THE TRANSIT
BETWEEN
NEW YORK & LONDON

Canoe to Galway 2000 Miles.





PROSPECTUS
OF THE
EUROPEAN AND NORTH AMERICAN
RAILWAY COMPANY:

INCORPORATED BY THE LEGISLATURE OF MAINE.

CAPITAL 40,000 SHARES OF \$100 EACH.

TERMS OF SUBSCRIPTION.

THE SUBSCRIBERS hereby agree to take and fill the number of Shares in the Stock of the European and North American Railway Company, set against their names respectively, on the terms and conditions following, viz :

1st. The advance payment on each share shall be one dollar.

2d. The shares shall not be assessed more than five dollars each, payable at one time nor to a greater amount in all, than one hundred dollars, including the advance of one dollar, nor shall more than one third the amount be called for, in one year.

3d. Whenever the whole amount of one hundred dollars shall be assessed, and the road put in operation for the whole or any part of its distance, the holder of stock upon which the assessments shall have been paid in full, shall receive interest at the rate of six per cent. on the sums paid on his or her share or shares, computed from the days of payment up to the time the last assessment shall become due and payable. If any stockholder be delinquent, after said time, interest shall be charged on his assessment from said time till payment.

4th. Whenever the Directors shall call for any assessment, every stockholder shall be at liberty to pay such sum over and above the amount actually assessed, as he or she may see fit to pay, not exceeding one hundred dollars on each share, and interest shall be allowed and paid thereon, as provided in the third regulation.

5th. If the whole number of Shares subscribed for, shall exceed forty thousand, such excess shall be disposed of by reducing pro rata, the subscriptions which are over twenty five shares, without making fractions in the apportionment of the excess.

The undersigned, Corporators named in the act establishing the European & North American Railway Company, passed by the Legislature of Maine, and approved August 20th, 1850, present the claims of that enterprise to the public attention, and most respectfully ask the concurrence and co-operation of all, who

feel an interest in the early completion of a work, "which," in the language of that distinguished Statesman, the **HON ROBERT J. WALKER**, "will greatly enlarge international commerce, and become a new bond to preserve the peace of the world."

We feel justified in saying, that the contribution of one million of dollars only, in the form of subscription, to the Stock at the present time, will secure beyond all peradventure the early completion of the **European & North American Railway**.

The cities of Boston and N. York, the Canadas and the far West, are connected by Railway with the State of Maine, by lines extending as far east as the **Kennebec River**. The **Portland and Montreal Railroad** far advanced toward completion, and to be opened to Montreal during the coming year, with the Railways of New England, secure the convergence of all the lines of Railway in the United States and Canada, upon the single trunk Railway, which we now propose to extend, from the **Kennebec valley** to the Atlantic shore of Nova Scotia, and will ensure to this trunk line, when completed, the travel between the two Continents, that seeks to abridge the length of passage, and shorten the sea voyage between Europe and America.

While claiming for this line all the advantages proposed, for shortening the transit between Europe and America, reducing the length of passage to five or six days time, it has claims on the business men of the **British Provinces** and the **Northern States of the Union**, as a means of increasing trade, stimulating enterprise, and augmenting the productions of the region of country through which it is to pass. We concur in the opinion expressed by the **Portland Convention**.

"That from the valley of the **Kennebec** in Maine to the Eastern terminus on the Atlantic coast of Nova Scotia, the proposed line of Railway will traverse a country abounding in natural resources and possessing all the elements of wealth and commercial greatness in an unusual degree; that although now sparsely populated, this line of country under railway influence will soon become densely peopled, and every species of industry will be called into existence among its inhabitants."

Since the separation of the **Portland Convention**, all the opinions expressed by that body, have been abundantly confirmed by various public bodies and the press generally in Europe and America, and by the more matured opinions of an Engineer of the highest authority, as to the practicability and paying qualities of the line. Upon these grounds alone, we may confidently appeal to the commercial world for support. We believe that in order to justify us in expecting its entire success, it is enough to say that it is proposed to extend a line of railway through a region of country rich in every natural advantage,—forests, soil, climate and mineral wealth,—over a route the most direct and practicable that can be ascertained, irrespective of intermediate localities, remote from water communication,—giving it perfect immunity from all competition forever, by securing the most direct possible line, between the great centres of population and business.

In further confirmation of these views, we refer to the very able **Report of A.**

C. Morton, Esq., upon the whole line, submitted to the Governor of Maine and made under the authority of the State.

The length of line from the Kennebec River to Halifax is 475 miles. It is proposed to build this line in separate sections, all parts of the work, being kept in subordination to one general plan, so that an unbroken line of Railway shall connect Halifax, Nova Scotia, or whatever Eastern port is adopted, with all the Railways of Canada and the United States.

From Waterville to Bangor, the distance of 55 miles, the means required will unquestionably be furnished by the guarantee of the Railway companies, connecting Waterville with the Railways, extending from that point toward Boston.

From Bangor to the Boundary of New Brunswick, a distance of 96 miles, the Charter of the European & North American Railway, under which we are now acting, authorizes the construction of a line of Railway on the most direct and practicable route to the city of St. John, New Brunswick. It is for this portion of the line that we now invite subscriptions.

The Province of New Brunswick, by an Act passed on the 15th of March, 1851, incorporated a Company under the name of the European & North American Railway Company, for the purpose of making a Railway, which in section 3 is described as "A Railway to run from some point or place from the Eastern boundary of this Province in the county of Westmorland, so as best to connect with a Railway to be constructed from the city of Halifax or some other port on the Eastern coast of the Province of Nova Scotia on the Atlantic Ocean, over the most practicable route through the Province of New Brunswick, so as best to connect with a Railway to be constructed from the city of Bangor in the United States of America, to the Eastern part of the State of Maine."

This Charter is of the most liberal character, and while the British Ministry request certain modifications of the charter, of a character in no respect objectionable to the Company, a recent Despatch of Earl Grey, under date of June 12, 1851, contains an assurance of its approval;—so that, the requisite authority is now obtained, for the construction, by a private Company, of a continuous line of Railway from the city of Bangor to the boundary of Nova Scotia.

Of this distance, all that portion of the route from St. John, East, contains ample means along its line, to construct a Railway, and resources, population, and business adequate to support such a line, whenever completed.

It is the distance from Bangor to the city of St. John that requires our principal exertions. From St. John to the boundary of Maine the 73 miles required to form this connection, will have ample means furnished by the people of St John city, and New Brunswick, as soon as the Facility Bills receive the Royal assent. By these Bills, New Brunswick offers to grant assistance by a subscription to the Stock of the Company, to an amount equal to \$1,250,000 from time to time in sums of \$50,000 each, on the payment of equal sums by the Shareholders in said Company; and a gift of all the ungranted crown lands contiguous to and within five miles of each side of the line of said Railway.

This assistance from the Province of New Brunswick, will at once command

the means to build the line from the boundary of Maine to St. John city, even if no further or other assistance is afforded by the Colonial or Imperial Governments.

But it is known that the British Ministry have proffered assistance to the North American Provinces, to an amount sufficient to provide "for the construction of a Railway, by which a line of communication may be established on British Territory, between the Provinces of Nova Scotia, New Brunswick, and Canada, * * "from Halifax to Quebec or Montreal." The Hon. Mr. Hawes, under Secretary of the Colonial office, says "it is also to be understood that Her Majesty's Government will by no means object to its forming part of the plan which may be determined upon, that it should include a provision for establishing a communication between the projected Railway and the Railways of the United States."

The Hon. Jos. Howe the able and distinguished Delegate from the Province of Nova Scotia, through whose agency and by whose exertions these pledges have been obtained, informs us that the British Ministry estimate the amount required to carry out these two works, at *seven millions pounds sterling* or \$35,000,000. The condition on which this grant is to be made is, "that the Provinces shall make the loans they are to raise, a first charge upon the Provincial Revenue, after any existing debts and payments, on account of the Civil Lists, settled on Her Majesty, by laws, now in force."

The acceptance of the money on this condition is a matter still in question ; but whether the same is accepted or not, no delay need occur in pressing forward our line to a point of connection at the boundary of New Brunswick. That in some mode or other, most agreeable to themselves, the Provinces of New Brunswick and Nova Scotia will carry out the plan of a continuous line of Railway, from the boundary of Maine to the Eastern shore of Nova Scotia, no longer admits of a question. Such portion of the Railway Despatches from the British Government as may be required to a full understanding of the question, are hereafter given in the Appendix. It may be proper in this connection to remark, that negotiations are on foot, with a view to obtain further assistance from the British Government, in aid of Railways in Canada, by securing the Imperial guarantee, or an advance from the Imperial Treasury, of the money required to construct the Grand Trunk Line of Canada, from Montreal to Sandwich, opposite Detroit, in addition to the amount already offered. From Sandwich to Halifax the distance is equal to 1400 miles, which distance, with the European & North American Railway across New Brunswick, would require an advance from the Imperial Treasury of over 50,000,000 of dollars.

Assuming the early completion of that portion of the European & North American Railway which belongs to New Brunswick and Nova Scotia, the inquiry arises, can that portion of the line which is situated in the United States be constructed ?

From the eastern terminus of the lines extending from New York to the Kennebec River at Waterville to the line of New Brunswick, at Calais, the distance is 151 miles. To extend this line as far as Bangor, requires the absorption of all the means of the people of Maine, west of the Penobscot River, which can

be made available to such an enterprise. Still we regard that portion of the work as coming within the ability of the people of Maine to accomplish, and our exertions are directed to the task of obtaining the means for extending this line from Bangor to the Boundary of New Brunswick. The amount required to finish and complete this 96 miles is entirely beyond the ability of the people of Maine, east of Penobscot River to supply.

There are some disadvantages in reference to the construction of this portion of the line, from the fact that some 60 miles of the distance is a wilderness, and though favorable for the construction of a road, and full of valuable forests of timber and abundant water power, which will furnish a large amount of business to a railway when built, cannot contribute any considerable amount towards its construction. Mr. Morton estimates that the entire line from Bangor to Calais can be built and equipped as a first class road for about \$28,000 per mile, or something over 2,500,000.

Without enlarging upon the question of the practicability and advantages of the European & North American Railway, we refer parties seeking information to the elaborate Report of Mr. Morton. But to give in the briefest terms a summary, showing the extent of the proposed line, the feasibility of its construction in the favorable features of the country over which it is to pass, and its remunerative character when completed, we subjoin the following extracts from the Report of Mr. Morton :—

"The general results of the surveys show:

1st. That a highly feasible route can be obtained between the city of Bangor and the city of St. John, upon which the distance will not exceed 168.5 miles, with a strong probability of its being reduced on a final location to 160 or 165 miles.

2d. That the greatest elevation above tide, to be crossed, will not probably exceed 350 feet, which is within the limits of Maine, and that the maximum grade will not exceed 50 feet per mile, and may probably be reduced to 40 or 45 feet per mile.

3d. That there will be very little if any abrupt curvature, no points requiring excessive expenditure, and the cost per mile will fall below that of the average of the New England roads." (Page 37.)

"With this we are enabled to make up the length of that portion of the European and North American Railway, within the limits of New Brunswick.

From the Boundary line of the United States at Calais to the City of St. John, 73 miles.

From the City of St. John to the Boundary line of Nova Scotia, near Bay

Verte,	126 miles.
--------	------------

Total,	199 miles.
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The length of road to be built in New Brunswick will not probably, at most, exceed 200 miles, and there are strong grounds to believe that it may be reduced to 195 miles." (P. 45.)

"The total length of line in Nova Scotia is 124 miles, of which distance the road for

66 miles will be level, or of grades not exceeding 20 feet per mile.

44 miles will have grades of from 20 to 40 feet per mile.

10 miles will have grades of 57 feet per mile.

4 miles will have grades of 66 feet per mile.

From the above, it will be observed that for one half of the whole distance in Nova Scotia, the road will be either level or have inclinations under 20 feet per mile, and nearly 85 per cent of the whole distance is less than 40 feet per mile." (Page 50.)

"The following summary shows the length of road to be built in the State of Maine, in New Brunswick and in Nova Scotia.

Maine, (omitting fractions)	96 miles.
New Brunswick	200 miles.
Nova Scotia	124 miles.
Giving	420 miles

as the total length of the European and North American Railway.

From the surveys made of the various portions, I can state with much confidence that, of the 420 miles of railway, there will be over 350 miles upon which the grades will not exceed 30 feet per mile, and for over 100 miles of this latter distance, the road will be level. The maximum grade, with the exception of one point, will probably not exceed 50 feet per mile, with comparatively a short distance of this inclination.

The portion of the line where the grades exceed this, is confined to a distance of about 12 miles, in crossing the Cobequid Hills in Nova Scotia. These inclinations probably will not rise higher than from 50 to 60 feet per mile, and of the latter gradient there need not be more than five or six miles.

The greatest elevation passed over in the 420 miles is also at the Cobequid Hills, which is 600 feet; the greatest in New Brunswick probably will not exceed 250 feet, and that in Maine 300 feet above the ocean.

It is a fact worthy of notice, that this great work throughout its whole extent of over 400 miles, traversing a country, the most prominent characteristics of which are its numerous large rivers, lakes and inlets, that at no point is it interrupted by ferries, nor are the difficulties encountered or expenditures required in the construction of bridges and other works at all corresponding with the magnitude of the rivers to be crossed, and the objects to be attained.

This peculiarity, together with the great extent of line which may be constructed at a low rate, will tend to reduce the average cost of the whole work to a sum considerable below most of the great lines of the United States." (Page 51.)

"Bringing the various items of business together, as hereinbefore set forth, we have the following estimate of the probable annual receipts of the proposed railway.—

1,073,000 inhabitants, estimated to pay the railway one half the amount shown in the preceding table or \$1.50 for each inhabitant,	\$1,609,500
35 steamer passengers each way over the railway at 2 1-2 cents per mile, or \$10.50 each,	9,320
Transportation of mails \$300 per mile per annum	126,000
Total annual estimated receipts	\$1,964,820
Deduct 50 per cent for expenses of operating the road	982,410

Estimated net receipts	\$982,410
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Which is over 7 3-4 per cent on \$12,600,000, the estimated cost of the railway." (p. 89.)

The Railway from Bangor to Oldtown, 11 miles at one end, and from Calais to Bari ; 6 miles at the other, making a total of 17 miles of road built, may perhaps be brought into use as portions of the line, reducing the actual distance required to be constructed to less than 80 miles, and reducing the cost to a trifle only above 2,000,000 of dollars.

Our plan is to raise one million of dollars, the amount required by law to enable us to organize the company—secure the right of way, commence operations at each end, and lay the foundation for a credit which will secure the balance. If this sum can be raised, the work can be forthwith commenced, and successfully carried through.

The Commonwealth of Massachusetts has expressed her interest in the scheme, and the fact of her owning nearly 2,000,000 of acres of land in Maine, justifies the expectation that she will in some form supply a portion of the means. Our application to the Legislature of Massachusetts, during its recent session, received very respectful attention, and was by consent of its friends, referred to the next Legislature,—the Legislature of New Brunswick, did not act upon Railway matters in season to enable us to make our application to Massachusetts till a late period of the session. There was a general expression of confidence in the scheme, among the public men and the press of the Commonwealth of Massachusetts.

In Maine there is a constitutional inhibition against the loaning of the credit of the State, or the contracting of a State debt ; but it is not expecting too much of Maine, to say that a portion of the proceeds of its public lands might be advantageously applied to this object, if the same can be done consistently with the public interests, and thereby enhance the value of the Public Lands of Maine.

At all events, the undersigned express the confident opinion that the subscription of one million of dollars of available stock at the present time, will secure the early and complete success of this great enterprise.

We do not appeal to the people of Maine only, for it would be presumptuous in us to expect to realize this amount, under the present circumstances, from them alone ; but we appeal with entire confidence to all the good people of New England, the Canadas, and to the Commercial interests of the whole Atlantic Seaboard, and to the people of the United States generally.

A small amount from each one, who has expressed or felt a general good will to the enterprise, will secure at once the required sum.

By the terms of the Charter in Maine, an exception not heretofore granted, every stockholder is exempted from personal liability, beyond the paying up of the instalments on the Stock, and the Charter, is not subject to amendment, alteration or repeal by the Legislature.

Parties who may incline to aid this enterprise, residing at other places than those in which books of subscription are opened, may address Mr. Poor at Portland, Mr. Chandler at Calais, or Mr. Hamlin at Bangor., Maine, the Executive Committee of the Corporators, by whom the fullest information will be given in regard to the enterprise.

Portland, July, 1851.

JOHN B. BROWN,
JOHN ANDERSON,
GEORGE F. SHEPLEY,
HENRY CARTER,
THOMAS J. D. FULLER,
JOHN STICKNEY,
GEORGE M. CHASE,
GEORGE DOWNES,
NOAH SMITH, Jr.,
ICHABOD R. CHADBOURNE,
BION BRADBURY,
JAMES P. WHEELER,
JAMES S. PIKE,
STEPHEN R. HANSCOM,
JOHN N. M. BREWER,
STEPHEN EMERSON,

JOHN A. POOR,
ANSON G. CHANDLER,
ELIJAH L. HAMLIN,
MOSES L. APPLETON,
SAMUEL P. STRICKLAND,
LEONARD MARCH,
WYMAN B. S. MOOR,
DANIEL W. BRADLEY,
GEORGE W. PICKERING,
WALDO T. PIERCE,
RUFUS DWINEL,
JOSIAH S. LITTLE,
JAMES B. CAHOON,
CHARLES Q. CLAPP,
F. O. J. SMITH.

RAILWAY DESPATCHES.

SIR JOHN HARVEY TO EARL GREY.

GOVERNMENT HOUSE, August 29th, 1850

MY LORD—

Your Lordship is aware, from the correspondence which has passed between the North American Governments and the Colonial Office,⁷ that for some time past a deep interest has been felt by the people of these Provinces in the promotion of Railways.

2. So long as hopes were entertained that her Majesty's Government would aid in the construction of the line between Halifax and Quebec, public attention was concentrated upon that. As the prospects of its accomplishment became less definite and assured, other projects either local or inter-colonial were discussed, and Resolutions or Laws, having relation to these were passed during the recent Sessions of most of the Colonial Legislatures.

3. The construction of the Electric Telegraph which now not only connects Halifax with the chief towns of New Brunswick and the State of Maine, but forms the most important link in the chain of communication between the old world and the new, and the success which has attended that appropriation of the public funds have attracted public attention to the practicability and importance of placing a Rail Road beside the Telegraph.

4. This would give to Nova Scotia and New Brunswick a noble highway through their Territory—connect them by Railway with all the principal Cities of this Continent, and secure to the Port selected for the Eastern terminus, commercial advantages, with which no seaport within the Republic could ever successfully compete.

5. While these views were pressing upon the minds of the leading men in the Provinces, the subject was taken up in the State of Maine, and a Convention, to which the Colonists were invited, was called to meet at Portland on the 31st of July.

6. The proceedings of that Convention I have now the honor to enclose (No. 1,) together with the reports made by the Delegates who attended from Nova Scotia, to the communities or committees by which they were severally appointed, (No. 2.)

7. On the return of those Delegates, the public mind in Nova Scotia became very highly excited, particularly in Halifax, and those Counties through which the Road would pass.

8. Under these circumstances, my Government were required to deal with the question thus raised, and to decide whether they would stand aloof from this

movement, and allow a great Highway, which in peace would be a thoroughfare of Nations, and in war might be of vast importance, to be constructed and controlled by Foreign Capitalists, or should at once grasp the enterprize, and by the aid of the public funds and credit, discharge, towards the Country, the highest and most legitimate functions of a vigorous Executive. The latter determination was arrived at, and the opportunity was afforded to declare their policy, at a public meeting held at the Metropolis on the 24th instant, the proceedings of which will be found reported in the papers transmitted by this mail.

9. This movement, which meets my entire approbation, has been received with great satisfaction by all parties. The address of the City Council, with my answer, (No. 3,) I have the honor to enclose.

10. The details of this measure have yet to be adjusted, and it may be necessary to send to England some Members of my Government to communicate more at large with Your Lordship in reference to them.

11. In the meantime, I should be glad to be informed, whether, upon such pledges as have been regarded as satisfactory in other Colonies, being given, Her Majesty's Government would be disposed to aid Nova Scotia with its guarantee of such funds as she may find it necessary to borrow in England, in order to construct this Road. These would not exceed £800,000 Sterling, and would probably be secured, not only on the general Revenues of the Province, but upon the road itself.

12. Such a guarantee would enable the Province to enter the market on the best terms, and effect a large saving in the accomplishment of the work.

13. The Revenue of Nova Scotia is about £80,000 Sterling — her debt but £87,802 Sterling, of which £47,892 is represented by Province Paper, on which no interest is paid,— The permanent and indispensable charges are about £40,000 Sterling, leaving about £40,000 of Surplus Revenue available for public improvements. The Revenue has increased £4,400 Sterling within the present year — the increase on the whole will be probably £10,000 Sterling.

14. If therefore, as I anticipate, the Legislature sustains the policy of the Government, they will have the means at their disposal to pay the interest promptly on any loan they may require to effect.

15. I shall be very much gratified by an early communication of the decision of Her Majesty's Government on this point, and of the terms and nature of the securities required.

I have, &c.,

J. HARVEY.

(Signed)

The Right Honorable Earl Grey, &c. &c. &c.

EARL GREY TO SIR JOHN HARVEY.

DOWNING STREET, 21st Sept., 1850.

SIR—In acknowledging your Despatch No. 190, of the 29th ultimo, on the subject of the projected line of Railway from Halifax to Portland in Maine, I have to express my entire approbation of the degree of support and encourage-

ment given by yourself and the Provincial Administration to this important undertaking.

2. I regard the Work as one calculated to be of the highest service to Nova Scotia and New Brunswick, and instead of considering it as likely to endanger by competition the still more important scheme which has been proposed for connecting Halifax and Quebec, I believe that it is likely to prepare the way for the execution of the latter, and that it will contribute to the same end, namely, that of rendering Halifax the great Port of Communication between the two Continents of Europe and America.

3. But while I am most anxious to promote the success of this enterprise, I regret that the same reasons which have hitherto prevented Her Majesty's Government from recommending to Parliament any measure for affording pecuniary assistance towards the construction of the Quebec Railway, will probably stand equally in the way of their advising the guarantee of a loan for the scheme now in contemplation.

I have, &c.

(Signed)

GREY.

Lieut. Governor SIR JOHN HARVEY, &c. &c.

SIR JOHN HARVEY TO EARL GREY.

GOVERNMENT HOUSE, Halifax, }
October 25th, 1850. }

MY LORD—

The members of my Government, upon a full consideration of the contents of your Lordship's communication of the 21st ultimo, having deemed it to consist with what they owe to public feeling (which has been very unequivocally expressed throughout the province,) as well as to their own views to Her Majesty's Government, in as plain and forcible a manner as may be consistent with the deep respect with which all decisions by your Lordship have been and will at all times be received by them; they have accordingly resolved on delegating one of their body to proceed to England, in the hope that your Lordship will admit their Delegate to an audience, and will afford him every facility in bringing the views which he is charged to advocate, under the consideration of Her Majesty's Government which to your Lordship may seem fit.

Permit me, therefore, to present to your Lordship the Honorable Joseph Howe, a member of my Council, and a gentleman well qualified, in my judgment to afford to your Lordship and to Her Majesty's Government the fullest information and the most correct views of the state of public feeling in Nova Scotia.

The deep importance attached throughout the province to the subject of Mr. Howe's mission, will, I doubt not, plead my excuse from any deviation from existing regulations which may attend this mode of communication with your Lordship; and I do not doubt that on this, as on some other points, Mr. Howe's local information, experience, and sound judgment, will be found useful and acceptable.

It is Mr. Howe's present intention (should circumstances not induce him to alter it) to return to Nova Scotia before the meeting of the Legislature, in the hope of enabling me to convey to that body, at their meeting, some definite in-

formation as to the prospect of being able to obtain the necessary funds from London capitalists, either with or without the aid of Her Majesty's Government. As the latter alternative, however, would involve the difference of from 16,000*l* to 20,000*l*. a year, in the amount of interest to be paid by the colony, I feel satisfied that your Lordship will be disposed to promote any well-considered measure by which so large a saving may be effected, without risk to the Imperial Government.

I have &c.

(Signed)

J. HARVEY.

The Right Hon. EARL GREY.

HON. JOSEPH HOWE TO EARL GREY.

5, SLOANE STREET, Nov. 25th, 1850.

MY LORD,—

Having, at the interview with which I was honored on the 18th instant, received your Lordship's instructions to place before you, in official form, the arguments on which, as Representative from the Province of Nova Scotia, I base my application for the guarantee of the Imperial Government, in aid of the public works projected by the Government of that colony, I beg leave, with all respect, to call your Lordship's attention to the following statement and observations.

Regarding the period as rapidly approaching, if it has not actually arrived, when railroads must be laid down through her most advanced and prosperous counties, east and west, Nova Scotia is called to decide, with the experience of the world before her, upon the measures to be adopted to secure for her people, at the least expense, with the slightest risk, and in the shortest time, these great modern improvements. Her people have been accustomed to free roads; no toll bars exist in the Province. Her roads, made at the public expense, belong to the country, and are emphatically the Queen's highways. In the few instances where she has deviated from this policy, in respect to bridges or ferries, the cost and the inconveniences of monopoly have tested its value.

Railways are highroads of an improved construction. They are as essential to our advancement and prosperity now, as common roads were in the olden time. The service which the Government has performed for a hundred years in respect to the common roads, which probably measure 8,500 miles, we believe it to be capable of performing in regard to railways. The administration is content to assume the responsibility, and the people, including an immense majority of all political parties, are willing and anxious that they should.

If our Government had means sufficient to build railroads, and carry the people free, we believe that this would be sound policy. If tolls must be charged, we know that these will be more moderate and fair, if Government regulate them by the cost of construction and management, than if monopolies are created, and speculators regulate the tolls only with reference to the dividends. If there be risk or loss, we are content to bear it. If the traffic of the country yields a profit, we would apply the surplus revenue to the opening of new lines, or to the reduction of the cost of transportation.

Were a railroad to be constructed in Nova Scotia, for the accommodation of internal traffic alone, we should perhaps decide to lay a line through our western counties first.

An inter-colonial railroad, in which the adjoining colonies feel an interest, offers more general advantages than a more local line. Hence the interest felt in the Quebec Railroad, which would have drawn to Halifax much trade from the St. Lawrence, and opened up to colonization large tracts of wilderness lands, both in Canada and New Brunswick. This line requiring 5,000,000*l.* sterling to complete it, the united resources of the three provinces are inadequate to the work, without very liberal aid from the British Government; that aid having been refused, the project has been for the present reluctantly abandoned.

A railroad to Portland offers many advantages which one to Quebec does not. It will cost only about half as much. It must run, nearly all the way, through a comparatively improved country. It would connect Halifax with St. John (and by the river, with Fredericton) and the larger towns of New Brunswick; giving to all these, with the villages and agricultural settlements lying between them, most desirable facilities for internal traffic.

The Portland Railroad would secure to Nova Scotia the advantages which nature designed her to enjoy: connecting her with all the lines running through the American Continent and making Halifax a common terminus for them all. No American steamer, which did not touch at Halifax, could thence forward compete, in priority of intelligence, and the rapid transit of passengers, with those which did.

					Miles.
From Halifax to Galway is	-	-	-	-	2,130
Dublin to Holyhead	-	-	-	-	63
					2,193
Holyhead to London	-	-	-	-	263
Dublin to the S. W. Coast of Ireland	-	-	-	-	120
Halifax to St. John's	-	-	-	-	266
St. John's to Waterville	-	-	-	-	200
Waterville to New York	-	-	-	-	410
					1,259
					3,452

making the whole land and sea distance 159 miles more than the present sea passage. But the sea voyage, by the one route, would be 1107 miles shorter than by the other.

To run these 1107 miles by steamboat, at 12 miles an hour, would require 92 hours; to run them by rail, at 30 miles an hour, would require but 36 hours. This route would therefore save, in the communication between Europe and America, 56 hours to every individual, in all time to come, who passed between the two continents; the sea-risks to life and property being diminished by one third of the whole.

The States lying east of New York will be benefitted in a ratio corresponding with their relative distances from that city. A merchant travelling from London to Portland, not only wastes 56 hours in going to New York, but must turn back and travel 400 miles on the route to Halifax besides, which will require 13 hours more.

It is clear then, that when the line across Ireland is completed, and that from Halifax to Waterville (from thence the lines are continuous all over the United States,) this route may defy competition. No business man will travel by a route which leaves him 56 or 60 hours behind time, which gives to others dealing in the same articles, and entering the same markets with the same information, such very decided advantages.

No person traveling for pleasure will waste 56 hours, at some peril, on the ocean, where there is nothing to see, who can, in perfect security, run over the same distance by land, with a cultivated country and a succession of towns and villages to relieve the eye.

The Americans assembled at the Portland Convention pledged themselves to make this line through the territory of Maine. Capitalists and contractors in that country profess their readiness to complete the whole through the British provinces, provided acts of incorporation are given to them with liberal grants of land and money in addition, * * * *

The idea of a great inter-colonial railroad to unite the British American Provinces, originated with Lord Durham. In the confident belief that this work was to be regarded as one of national importance, Nova Scotia paid towards the survey of the line nearly £8000. The anticipation that the completion of this great work, in connexion with a scheme of colonization, would redress many of the evils and inequalities under which the provinces labor, for some time buoyed up the spirits of the people, and the disappointment is keenly felt in proportion as hopes were sanguine. If then the British Government has abandoned the policy to which, perhaps too hastily, we assumed that it was pledged; if the empire will make no roads through its territories (and the legions of Britain might be worse employed;) surely it cannot be less than madness to permit foreigners to make them; and it must be sound statemanship to aid the Colonial Governments, whenever they will assume the responsibility of constructing and controlling the great highways, no less necessary for internal improvement than for national defence.

If the road to Nova Scotia is commenced, the spirits of the colonists will revive. If extended to Portland, it will "prepare the way," to employ your Lordship's own language, "for the execution of the line to Quebec, and it will contribute to the same end, namely, that of rendering Halifax the great port of communication between the two continents of Europe and America."

I have said that the railroad across Nova Scotia will be the common trunk for the Quebec and Portland lines, whenever these are made. The former cannot be constructed by the colonists, unless the British Government make liberal contributions. The line to Portland will be made either with British or American capital. If by the latter, then, my Lord, it is worth while to inquire in what

position the British Government will stand, should they ever attempt to realize Lord Durham's magnificent conception, and find that the first link in the great chain of inter-colonial communication is already in possession of their enemies?

The Americans at this moment are putting forth their utmost skill to compete with our ocean steamers. When the Railroad is constructed across Nova Scotia and New Brunswick, their boats must start from and return to Halifax, or the competition will be at an end. A rivalry, honorable to both nations, may still continue; but, however the odds may turn, at least we shall have the satisfaction to reflect, that the inevitable result of that competition is to build up a noble maritime city within her Majesty's dominions.

The British Government now pays, for the conveyance of the North American Mails between England and New York, £145,000 sterling per annum. By this arrangement, 1107 miles of sea are traversed more than are necessary. The correspondence of all Europe with all America is delayed fifty-six hours beyond the time which will be actually required for its conveyance, when the railroads across Ireland and Nova Scotia are completed.

One set of these British mail-steamers pass by our own provinces, and, to the mortification of their inhabitants, carry their letters, and even the public despatches of their Government, to the United States, to be sent back 800 miles, if they come by land; at least 500, if sent by sea.

While the nearest land to Europe is British territory,—while a harbor, almost matchless for security and capacity, invites Englishmen to build up within the empire a fitting rival to the great commercial cities which are rising beyond it, your Lordship will readily comprehend the depth and earnestness of our impatience to be rescued from a position which wounds our pride as British subjects, and is calculated rapidly to generate the belief, that the commanding position of our country is not understood, or our interests but lightly valued. * * *

I have &c.

(Signed)

JOSEPH HOWE.

The Right Hon. EARL GREY.

HON. JOSEPH HOWE TO EARL GREY.

5 SLOANE STREET, Jan. 16, 1851.

MY LORD,—

In the letter which I had the honor to address to your Lordship on the 25th November, I argued the case of Nova Scotia on its own merits, and ventured to claim the guarantee of the Imperial Government in aid of her public works, upon grounds which affected her material interests, her pride, her enterprise, and steadfast loyalty to the British Crown.

The immediate consideration of that letter I did not desire, because, while preparing it, I was quite conscious that if the single issue raised, were to be decided by Her Majesty's Government upon the merits or claims of Nova Scotia alone, the Cabinet would have a very inadequate statement of the reasons which

ought to secure, and the province I represent but a slender chance of obtaining, a favorable decision.

The interest which the mother-country has in the elevation of North America, in the increase of her population, the development of her resources, the occupation of her wild lands, the extension of her commerce, and of her means of easy internal and external communication, I believe too far transcend the interest, great as that is, which the several provinces feel in these very important questions.

Should the aid of the parent State be refused, the Northern Provinces would still, but with less rapidity, complete their public works. Though not an emigrant landed on their shores, the population they have would live in plenty, and double every twenty years. Should they change their political relations, the worst that could befall them, would be association with their Anglo-Saxon neighbors, or an independent position, moderately secure, and full of future promise.

* * * * *

299,498 emigrants left Great Britain and Ireland for America, in 1849. A very great proportion of the Irish had a journey and a voyage to make to some English seaport, before they embarked upon the Atlantic. But pass that over, and multiplying the number of emigrants by thirty, and we have the number of days that would have been saved to these poor people, if they had been carried out by steam. It is clear that they wasted 8,984,940 days at sea, in, to them, the most precious year of life, and the most valuable part of that year, which, estimating their labor at 1s. a-day in the countries to which they were repairing, would amount to £449,247.

The employment of ocean steam-ships for the poor would save all this, and it would put an end to ship-fever, disease and death. The Government of England expended in Canada and New Brunswick alone, in 1847, in nursing the sick and burying the dead, £124,762 st'g. The ocean omnibus, whether established by Government or by a private association, would save all this in future. Restrictive colonial laws would disappear; and from the moment that there was a certainty that emigrants would arrive in health, however poor, the colonists would prepare their lands and open their arms to receive them.

The saving of expense and time on our side of the Atlantic would also be immense. These ships could run down the southern shores of the maritime provinces, and land emigrants wherever they were required from Sydney to St. Andrews; passing through the Gut of Canso, they could supply all the northern coasts, including Prince Edward Island. They could go direct to the St. Lawrence, landing the people wherever they were wanted, from Gaspe to Quebec.

Knowing exactly when to expect these vessels, our people would send to England, Ireland, and Scotland for their friends, and be ready with their boats and waggons to convey them off, without cost or delay, the moment they arrived.

We should thus have a healthy, almost self-sustaining British emigration, to the full extent of the exciting demand for labor, even if no public works were commenced.

But much would soon be done, still without costing the British Government a pound, to extend the labor market. The moment that the arrival of healthy em

igrants, at convenient points, and early in the season, could be counted upon with certainty, the Provincial Governments would lay off and prepare their lands for settlement, advertising them in all the British and Irish sea-ports. They would empower the deputy surveyors in each county to act as emigrant agents, and locate the people. They would call upon the county magistracy to prepare, at the autumn or winter sessions, returns, showing the number and description of emigrants required by each county in the following spring, with the number of boys and girls that they were prepared to take charge of and bind out as apprentices.

Proprietors of large unimproved tracts would soon, by similar exertion and kindred agencies, prepare them for occupation.

All this may be done by the employment of steam-ships for the poor; and they, I am confident, might be drawn into the public service without any cost to the country. If it be objected that to so employ them would diminish the demand for sailing-vessels, I answer no; but, on the contrary, there would be an annually increasing demand for British and Colonial tonnage, to carry on the commerce and reciprocal exchanges that this health immigration would create.

But, my Lord, I am anxious to see these cheap steamers on another account: that they may bring English, Irish and Scotchmen and their descendants, from time to time, back to the land of their fathers, to tread the scenes which history hallows, or revive the recollections of early life, to contemplate the modern triumphs and glories of England, and contrast them even with those of the proud Republic beside us. This ennobling pleasure cannot be indulged in now, but at a cost which debars from its enjoyment the great body of the Queen's Colonial subjects.

Reduce the passage to ten days, and the cost to £5., and thousands would come over here every summer, to return with their hearts warmed towards their British brethren, to teach their children to understand the policy of England, and to reverence her institutions.

So far, my Lord, you will perceive that I have suggested nothing which would involve Her Majesty's Government in heavy expense; on the contrary, I believe that even the cost of emigrant steamers would be more than made up, either by a reduction of expense in the naval service, retrenchment of the cost of lazarettoes and quarantine, or by the relief which a healthy system of emigration would at once give to some, if not all the branches of the public service which now cost £11,000,000, sterling. It would require but a slight calculation to show that the planting of half a million of British subjects in the North American provinces, where the duty on British manufactures ranges from 6 1-4 to 12 1-4 per cent.; and in the United States, where it ranges from 15 to 100 per cent., would amount to more than the whole sum wanted to establish those steamers. * * *

The first 130 miles of this communication Nova Scotia will make, and amply secure the British Government from loss, should the advantage of its credit be given. We will do more—we will prepare our lands, collect returns, appoint an agent in each county, and repeal our taxes on emigrants; offering on the best terms, a home to all who choose to come among us. If Her Majesty's Govern-

ment have no objections to the employment of such portions of the troops as are not required to do garrison-duty, we will give them in addition to their pay, or land along the line, to which in war their discipline would be a defense; thus saving to the British Government the expense of bringing these veterans back to England.

The ability of Nova Scotia to fulfil any obligations she may incur to the Imperial Government, may be estimated by reference to her past progress and present financial condition.

Montgomery Martin, in his late work, estimates the value of the province, in moveable and immoveable property, at £20,700,000.— Without counting wild lands and property upon which labor has not been expended, we rate it at £15,000,000. This has been created in a century, by the industry of a few thousands of emigrants and loyalists, and their descendants. To the amount of shipping, as evidence of a prosperous commerce, I have already referred.

Within the twenty years from 1826 to 1846, the population more than doubled, the tonnage rising, in the last ten years of this period, from 96,996 to 141,043 tons.

The exports rose in the twenty years from £267,277 to £831,071.

The revenue of Nova Scotia is chiefly raised from imports, the royalty on the mines, and the sale of Crown lands. There is no property-tax, or assessed taxes, except poor and county rates raised by local assessments.

Her tariff is the lowest in North America. Her *ad valorem* duty on British goods is 6 1-4 per cent., that of Canada 12 1-2.

All the liabilities of the province amounted on the 31st December, 1849, to £105,643 13s. 1d. The Receiver-General writes me that there has been an increase of the revenue during the past year, of 15,000*l.*, which will reduce the liabilities to 90,643*l.* 13s. 1d. No part of this debt is due out of the province.— Province notes, which circulate and are sustained by the demand for them to pay duties, represent 59,864*l.* of the whole, which bears no interest. Of the balance, 40,000*l.* is due to depositors in the Savings Bank, who receive 4 per cent. The holders of Stock certificates, covering the remainder, receive 5 per cent.

The public property held by the Government in the city of Halifax alone, would pay the whole debt, which could be extinguished by applying the surplus revenue to that object for two years.

The income from all sources fluctuates between 90,000*l.* and 110,000*l.* The permanent charges on this revenue secured to Her Majesty by the Civil List Bill, are 7,500*l.* sterling. The balance is expended in maintaining other branches of the Civil Government, in opening and repairing roads, and promoting education.

We should make the interest of the loan we now require a first charge on this surplus, in the event of the railroad not yielding tolls sufficient, which, judging by the experience of our neighbors, we do not apprehend.

This surplus must steadily increase, because, while population and revenue will probably double within the next twenty years, as it has done, almost without emigration or railroads, during the past twenty, the expenses of the Civil Government will be but very slightly augmented.

The revenue could be, and if necessary would be, promptly increased, by raising the *ad valorem* duty, re-adjusting specific duties, or if even that were necessary to sustain our credit with the mother country, by a resort to a legacy, income, or property tax.

The Government of Nova Scotia (exclusive of lands in Cape Breton) still retains 3,982,388 acres of ungranted Crown lands. These, if required, could also be pledged, or the net amount of sales of lands along the line could be paid over from time to time in liquidation of the loan.

The whole amount required is 800,000*l*. The city of Halifax being pledged to the Provincial Government to pay the interest on 100,000*l*., the whole amount that would therefore be chargeable on all sources of provincial revenue, the tolls on the railroad included, would be 24,500*l*.

Although having no authority to speak for the other Colonies, I may observe, the province of New Brunswick, which lies between Nova Scotia and Canada, has in addition to her ordinary sources of revenue 11,000,000 of acres of ungranted lands. She might pledge to her Majesty's Government the proceeds of as many millions of acres of these lands, along the lines to be opened, as might be necessary, in addition to the pledge of her public funds to secure this country from loss. The troops might be employed, and settled in this province also.—The lands pledged could be sold to emigrants,—the British mails and soldiers would be transported at fair prices, and the amounts might be carried to the credit of the loans. I believe that New Brunswick could, if moderately aided, ultimately make her great lines, absorb and provide farms for millions of emigrants—increasing the home market for British goods by the annual amount of their consumption—and, in a very few years, pay any loan she may require to contract, without costing England a farthing.

The resources of Canada are well known to your Lordship.

Her interest in these great works cannot be exaggerated, and must be greatly enhanced by the approaching removal of the seat of Government to Quebec.—They would bring her productions to the seaboard at all seasons of the year; connect her by lines of communication with all the other provinces, and with the mother country; preparing the way for a great industrial, if not a political union, of which the citadel of Quebec would ultimately form the centre. That her Government would second any policy by which this might be accomplished, there is no reason to doubt.

* * *

I have, &c.,

(Signed)

JOSEPH HOWE.

The Right Hon. EARL GREY.

HON. JOSEPH HOWE TO EARL GREY.

5, SLOANE STREET, 13th February, 1851.

MY LORD—

Adverting to the point raised by Your Lordship yesterday, I hasten to furnish an explanation, which I trust may be satisfactory.

Assuming that Nova Scotia makes, with the guarantee of the British Government, a Railroad across her Territory, and that an extension through the other Provinces for national or inter colonial objects becomes immediately or remotely desirable, either by the Governments of Canada or New Brunswick, by the British Government, or by any Colonial or British Company under their patronage, the question is, would Nova Scotia claim to retain the revenues of that which might be the most profitable part of a long line?

Nova Scotia, whatever her geographical advantages may be, desires to make them subservient to common, Imperial and Provincial interests, and will be prepared to share the revenues of her Railroad, as she does those of her Telegraph, upon equitable principles, with the other Provinces, or with Companies by which they may be represented.

The principle applied to the Telegraph is very simple, and works satisfactorily to all States and Companies extending between Halifax and New York. The tolls for messages which originate and end within Nova Scotia, New Brunswick, or Maine, for instance, are retained by those who send them, but the tolls for through messages, which pass over a common line, are shared by mileage, and the common account is checked and the balances paid over every week.

I think I may go even further and say, that should our portion of the line pay, from excess of local traffic, and that through New Brunswick be less profitable, Nova Scotia would not only lend to her Sister Province any excess which might accrue, but would take her debentures up and give her the aid of her public revenues rather than that even a temporary demand should be made upon the Imperial Treasury.

I have &c.

(Signed)

JOSEPH HOWE.

The Right Hon. EARL GREY, &c. &c. &c.

B. HAWES, ESQ., TO HON. JOSEPH HOWE.

DOWNING STREET, March 10, 1851.

SIR,—I am directed by Earl Grey to inform you, that he is at length enabled to communicate to you the decision of her Majesty's Government on the application for assistance towards the construction of the projected railway through Nova Scotia, contained in your letters of the 25th of November and 16th of January last.

You are already aware, from the repeated conversations which you have had with Lord Grey, of the strong sense entertained by his Lordship and colleagues, of the extreme importance, not only to the colonies directly interested, but to the empire at large, of providing for the construction of a railway by which a line of communication may be established on British territory between the Provinces of Nova Scotia, New Brunswick, and Canada, and that various plans which have been suggested for the accomplishment of this object have undergone the most attentive consideration.

It appears from Sir John Harvey's Dispatch of August 29th, 1850, as well as from your letters and the verbal communications you have made to Lord Grey,

that the Provincial Government of Nova Scotia, fully relying on the concurrence of the Legislature, is desirous of undertaking the construction of that part of the projected line which would pass through that province, and proposes to obtain for that purpose a loan of £800,000, which is the estimated expense of the work. The assistance which Lord Grey understands you to apply for on behalf of the province, is, that the payment of the interest of a loan to this amount should be guaranteed by the Imperial Parliament, the effect of which would be that the money might be raised on terms much more favorable than would be otherwise required by the lenders.

I am directed to inform you that Her Majesty's Government are prepared to recommend to Parliament that this guarantee should be granted, or that the money required should be advanced from the British Treasury, on the conditions which I will now proceed to state.

In the first place, as Her Majesty's Government are of opinion that they would not be justified in asking Parliament to allow the credit of this country to be pledged for any object not of great importance to the British Empire as a whole (and they do not consider that the projected Railway would answer this description, unless it should establish a line of communication between the three British Provinces) it must be distinctly understood that the work is not to be commenced, nor is any part of the loan, for the interest on which the British Treasury is to be responsible, to be raised, until arrangements are made with the Provinces of Canada and New Brunswick, by which the construction of a line of railway passing wholly through British territory, from Halifax to Quebec or Montreal, shall be provided for to the satisfaction of Her Majesty's Government.

In order that such arrangements may be made Her Majesty's Government, will undertake to recommend to Parliament that the like assistance shall be rendered to these Provinces as to Nova Scotia, in obtaining loans for the construction of their respective portions of the work. If it should appear that by leaving each Province to make that part of the line passing through its own territory, the proportion of the whole cost of the work which would fall upon any one Province, would exceed its proportion of the advantage to be gained by it, then the question is to remain open for future consideration, whether some contribution should not be made by the other Provinces towards that part of the line; but it is to be clearly understood that the whole cost of the line is to be provided for by loans raised by the Provinces in such proportions as may be agreed upon, with the guarantee of the Imperial Parliament.

The manner in which the profits to be derived from the Railway when completed are to be divided between the Provinces will also remain for future consideration.

You will observe that I have stated that the line is to pass entirely through British territory; but Her Majesty's Government do not require that the line shall necessarily be that recommended by Major Robinson and Captain Henderson.

If the opinion which is entertained by many persons well qualified to form a judgment, is correct, that a shorter and better line may be found through New Brunswick, it will of course be preferred, and there will be sufficient time for de-

termining this question while the earlier part of the line is in progress. It is also to be understood that Her Majesty's Government will by no means object to its forming part of the plan which may be determined upon, that it should include a provision for establishing a communication between the projected Railway and the Railways of the United States. Any deviation from the line recommended by Major Robinson and Captain Henderson, must, however, be subject to the approval of Her Majesty's Government.

It will further be required that the several Provincial Legislatures should pass laws making the loans which they are to raise a first charge upon the Provincial Revenue, after any existing debts and payments on account of the Civil Lists settled on Her Majesty by laws now in force; and also that permanent taxes shall be imposed (or taxes to continue in force till the debt shall be extinguished) sufficient to provide for the payment of the interest and sinking fund of the loans proposed to be raised after discharging the above prior claims. It will further be necessary that the expenditure of the money raised under the guarantee of the Imperial Parliament shall take place under the superintendence of Commissioners appointed by Her Majesty's Government, and armed with sufficient power to secure the application of the funds so raised to their intended object. The Commissioners so appointed are not however to interfere with the arrangements of the Provincial Governments, except for the above purpose.

The right of sending troops, stores, and mails, along the line at reasonable rates, must likewise be secured.

If on the part of the Government of Nova Scotia you should express your concurrence in the above proposals, Lord Grey will immediately direct the Governor General of the British North American Provinces to communicate with the Lieutenant Governors of New Brunswick and Nova Scotia, who will also be directed to bring the subject under the consideration of their respective Executive Councils, in order that if they should be prepared to join in carrying the undertaking into effect on the terms proposed, the details of the arrangement between the Provinces may be settled, and the sanction of the Legislature obtained for the plan, so that it may with as little delay as possible be submitted for the approval of Parliament.

Before, however, the proposed measure can be so submitted to Parliament, it is proper to observe that there are some other questions affecting the pecuniary relations between the mother country and the colonies which will require to be considered, but as these questions have little, if any, reference to Nova Scotia, it is not necessary that they should be further adverted to in this letter.

I am directed to add that Lord Grey thinks it unnecessary that any measure should be taken by Her Majesty's Government to encourage the establishment of steam vessels for the accommodation of emigrants of the humbler class, which is one of the subjects to which you have called his attention.

If there should be a demand for such vessels, Lord Grey has no doubt that they will speedily be supplied by private enterprise; indeed he has been informed that ships of large size intended for the conveyance of emigrants, and furnished

with auxiliary steam power, are already building both in this country and America, and if by undertaking the projected railway a demand for labor is created in the British Provinces and a large extent of fertile land is opened for the occupation of settlers, these circumstances cannot fail to lead to an extension and improvement of the means now afforded for the conveyance of emigrants to these Provinces.

Lastly; with reference to the suggestion contained in your letter, that convicts might be employed in the construction of the Railway, I am to inform you that though her Majesty's Government entertain no doubt that the expense of the work to the Provinces might thus be greatly reduced, while at the same time by judicious regulations all risk of serious inconvenience might be guarded against, they would not be disposed to take any step with a view to the adoption of this suggestion, unless on a distinct application from the Colonial Legislature; but if such an application should be made, Her Majesty's Government would be prepared to make the necessary arrangements for the employment of a moderate number of convicts on the work, without any charge for their custody and subsistence to the Province which may have applied for them.

I am &c.,

(Signed)

B. HAWES.

HON. JOSEPH HOWE TO B. HAWES, ESQ.

5 SLOANE STREET, March 12th, 1851.

SIR,—I have the honor to acknowledge your letter of the 10th March, conveying to me by direction of Earl Grey, the decision of Her Majesty's Government on the questions raised in my letters of the 25th November and 16th January.

I beg you to assure his Lordship of the satisfaction with which I have read that communication, and of the sincerity of the belief which I entertain that the Governments of the North American Provinces will cheerfully, and to the full extent of their means, exert themselves to secure upon the terms proposed, the completion of the great national highway, for the construction of which Her Majesty's Government are prepared to propose to Parliament to advance the funds, or pledge the National credit.

Should anything occur to delay a general arrangement, (which I do not apprehend,) beyond the period when Nova Scotia may be prepared to execute her part of the line, for local or other purposes, it will be time enough then to submit whether that portion of the work which will run through her territory should not be commenced, either with or without the aid of Her Majesty's Government.

As the rapid sale and settlement of the waste lands of the three provinces will now become very desirable, in order that their annual revenues may be increased, and the country on both sides of the Railroad settled as the work proceeds, I hope to be able, in a few days, to submit a plan by which these objects may be attained by an organized association, acting under the countenance of the Imperial and Colonial Governments, but without any aid from their public resources.

I have, &c.,

(Signed)

JOSEPH HOWE.

B. HAWES, Esquire.

HON. JOSEPH HOWE TO W. H. KEATING, ESQ.

5 SLOANE STREET, LONDON, March 13, 1851.

Sir,—I had the honor to report to you on the 14th of February.

On the evening of that day a Debate occurred in the House of Lords, which you will find in the Newspapers I now enclose. In that House there appeared to be but one opinion as to the importance of the North American Provinces and upon the soundness of the Policy of aiding them to complete their Public Works. The personal references to myself will convey to His Excellency the best evidence that I can offer as to the mode in which my Public Duties have been discharged.

Prior to the occurrence of that Debate I had been honored with two very interesting interviews by Lord Stanley.

On the 13th I had addressed to Earl Grey the letter a copy of which is enclosed.

On the 21st of February, I was honored by Earl Grey with the perusal of the draft of a communication, which His Lordship proposed to address to me, and by an appointment for the following day, to adjust any points which might be raised by an examination of that draft. On the 22d of February, the Cabinet resigned, and no further progress could be made in the negotiation until their acceptance of the Seals again on the 3d of March.

I have now the honor to enclose a copy of a letter addressed to me on the 10th inst., by Mr. Hawes, in which the Lieutenant Governor will be gratified to perceive that my mission has resulted in the determination of Her Majesty's Government to propose to Parliament to advance or guarantee the funds which may be required by the three North American Provinces, to make a Railroad from Halifax to Quebec or Montreal, including a line of connection across New Brunswick, with the Railroad Lines of the United States.

I have reason to believe, that, if the pressure of public business will permit, copies of this letter will be transmitted to His Excellency the Governor General, and to the Lieutenant Governors of Nova Scotia and New Brunswick by this Mail.

You will perceive that all our great Lines are to be provided for, the Provinces through which they pass pledging their revenues to the Imperial Government, which will advance or guarantee the funds required at the lowest rate of interest. This cannot be higher than 4. and will probably not exceed 3 1-2 per cent. No American or Colonial Company seeking funds in the Money Market here, could obtain even a moderate amount at less than 6 per cent. I could make contracts for completing our own Line, in sections of 50 miles, paying the parties in our Provincial Debentures at 5 per cent, but, from all the information I can gather, even the Provincial Government could not depend on obtaining any large amount of funds at a less rate of interest than what Canada pays for the last loan effected here, which is 6 per cent.

The value to us, then, of the Imperial Guarantee, cannot even be over estimated.

You will perceive that Her Majesty's Government leaves the Provincial Go-

vernments free to select a shorter and more profitable line than that chosen by Major Robinson, if one can be found.

As regards construction and management, we are not to be unduly controlled; the Imperial Commission being limited to such necessary jurisdiction as may prevent the appropriation of the funds raised to objects not contemplated by Parliament.

You will also observe that the Provincial Governments are left free to make the most they can of the lands through which the Railroads are to pass. My present impression is that, by making a judicious use of these, Colonization may be carried on extensively in connection with the Railroads, so that as many people may be added to the population of each Province as will swell its annual consumption and revenue beyond the charges which may be assumed for the construction of the lines. If this can be done, and I believe it may, we may strengthen the Provinces, and permanently advance and improve them, adding to their wealth and population, flanking the Railway lines with thousands of industrious people—and giving the Provinces, in a few years, an elevation which we are all anxious that they should attain.

To carry out this policy there must be mutual co-operation between men of influence here, and in the Provinces, acting with the general concurrence of the Imperial and Colonial Governments.

The ground has, I trust, been prepared for such organization—and I shall spend the rest of the month in drawing together those interests and influences on which the northern Provinces may most securely rely to aid them in filling up their waste lands, and completing their public improvements.

My present intention is to leave England by the Boat of the 5th of April, and I cannot anticipate that anything will occur to occasion further delay.

I regret that it has not been possible to bring these matters into a shape to be passed upon by the Legislature during the present Session—but, on reflection, it will perhaps appear to His Excellency better that questions of such deep importance should be gravely propounded to the country for its deliberate decision, than that they should have been hurried through, or hastily rejected in the last Session of an expiring Parliament.

I have the honor to be Sir, Your obedient Servant,

JOSEPH HOWE.

W. H. Keating Esq., Deputy Provincial Secretary.

EARL GREY TO SIR JOHN HARVEY,

DOWNING STREET, March 14th, 1851.

SIR—I have received your despatch, No. 204, of the 25th of October last, informing me that the members of your Executive Council had deputed one of their own body to repair to this country for the purpose of representing to Her Majesty's Government the views generally entertained in Nova Scotia on the subject of the projected Halifax and Quebec Railway; and I have now the honor to transmit to you the accompanying copy of a despatch which I have this

day addressed to the Governor General of British North America, in the enclosures to which you will find a Letter which has been written by my direction to Mr. Howe, containing a full explanation of the views of Her Majesty's Government as to the mode by which it is to be hoped the funds necessary for the proposed undertaking may be raised.

Referring you to that despatch for general information, I have only to add that it will be proper that you should at once place yourself in communication with the Governor General on this very important subject.

I am, &c.,

GREY.

(Signed)

Lieut. Governor SIR JOHN HARVEY, K. C. B., Nova Scotia.

EARL GYREY TO LORD ELGIN.

DOWNING STREET, March 14th, 1851.

MY LORD—

From the correspondence which I have already had with your Lordship on the subject of the projected railroad from Halifax to Quebec, you are well aware that although Her Majesty's Government have not hitherto been enabled to take any steps towards the execution of that work, it is an undertaking which they have long earnestly desired to see accomplished, as they believe it to be one calculated very greatly to advance the commercial and political interests both of the British Provinces in North America and of the mother country. It is, therefore, with great satisfaction that I have now to acquaint your Lordship that I have reason to hope that the time is at length come when this great national enterprise may be undertaken with advantage, if there still exists (as I am assured there does) as strong a desire to promote it, on the part of the inhabitants of Canada and New Brunswick, as they formerly expressed, and as the people of Nova Scotia have recently manifested.

2. I inclose for your Lordship's information a copy of a despatch addressed to me in the course of the last autumn by Sir John Harvey, introducing to me Mr. Howe, a member of the Government of Nova Scotia, and also copies of two letters I have received from that gentleman, and of the answer which has by my direction, been returned to him. Your Lordship will perceive from these papers, that the proposals made by Mr. Howe, on behalf of the Province of Nova Scotia, and to which Her Majesty's Government have thought it their duty so far to accede as to undertake on certain conditions, to recommend it, for the sanction of Parliament, is to the effect that the credit of this country should be employed to enable the Provinces of Canada, New Brunswick and Nova Scotia, to raise upon advantageous terms the funds necessary for the construction of the proposed railway, just as Canada has already been enabled by similar assistance, to construct the canals by which she has lately completed the most extensive and perfect system of inland navigation which exists in the world. Although Her Majesty's Government are of opinion that great caution ought to be observed in pledging the credit of the British Treasury for aid of loans raised by the Colonies, they regard the work now in contemplation as being (like the Saint Lawrence

Canals) of so much importance to the whole empire, as to justify them in recommending to Parliament that some assistance should be given towards its construction, nor is there any mode of affording such assistance which has been hitherto suggested, which appears on the whole so little burthensome to the mother-country, and at the same time of so much real service to the Colonies, as that which is now proposed.

3. In coming to the decision that Parliament should be invited to give this support to the projected railway, Her Majesty's Government have not failed to bear in mind that by enabling the North American Provinces to open this great line of communication, it may fairly be assumed that a powerful stimulus will be given to their advance in wealth and population, and that the increase in their resources will render it possible for them to relieve the mother country sooner, and more completely than would otherwise be practicable, from charges now borne by it on account of these colonies. In another despatch of this date, I have informed your Lordship, that in the judgment of Her Majesty's Government, the British colonies ought to be required, as they become capable of doing so, to take upon themselves not only the expenses of their Civil Government, but a portion at all events of those incurred for their protection; and I have pointed out to you, that the British North American Provinces, and especially Canada, have now reached such a stage in their progress that the charges for which Parliament is called upon to provide on their account, ought to be rapidly diminished. The construction of the proposed railway would greatly contribute to promote this important object. By opening new districts for settlement, and by the demand for labor which would be created during the progress of the work, the projected railway cannot fail to increase the wealth and population of these Provinces, while by affording a rapid and easy communication between them, it will enable them to afford to each other far greater support and assistance than they now can, in any difficulty or danger to which they may be exposed.

4. Your Lordship will not fail to observe from the letter which has been addressed to Mr. Howe, that the assistance which it is proposed to grant to the Provinces towards the construction of the proposed Railway, is to be contingent on provision being made for opening a complete line of communication from Halifax to Quebec or Montreal. It is necessary, therefore, to ascertain whether Canada and New Brunswick are ready to join with Nova Scotia in raising the capital required for the work in the manner proposed, and if so, in what proportion each Province is to become responsible for the expense incurred. The question, whether it will be advisable for these two Provinces to join in the construction of the projected railway, if they should be enabled, by the assistance of Parliament, to raise the required capital, at a low rate of interest, is one for the consideration of their respective Legislatures; but so far as I have the means of forming a judgment upon the subject, I should anticipate that their decision would be in favor of doing so. I infer that this is probable, not less from what I have learnt of the actual state of public opinion on this subject in the Provinces, than from the view which I take of their interest in the work.

Though I can believe that there would be much room for doubting whether the railway would pay as a mercantile speculation to a company looking to traffic only for its remuneration, the case is very different when it is regarded as a public undertaking. When viewed in this light, the various indirect advantages which cannot fail to arise to the Provinces from possessing such improved means of communication, must be considered, as well as the very great additional value which would be conferred on a vast extent of public lands, which are now comparatively worthless. This is a source of profit from which no advantage can in general accrue to the constructors of railways in countries where the soil has long been appropriated by individuals; on the contrary, in these countries the purchase of land is not one of the least important items of the expense to be incurred in such undertakings; but where, as in parts of Canada and New Brunswick, a great part of the territory to be traversed by a railway is still unappropriated, and the land may be sold by the public, the increased value given to it by being thus rendered accessible, may render it advantageous to construct a railway, though the traffic is not expected to do more at first than pay the working expenses.

5. If these considerations should induce the Legislatures of the three Provinces to combine in undertaking the projected railway, the terms on which they are to co-operate with each other for that object will have to be settled; and in coming to such an arrangement various questions of great difficulty and importance will require to be considered. For instance it is probable that when the line is completed, the traffic will be far more remunerative at the two extremities than in the more central portion of it; while at the same time the expense of construction would, from the nature of the country, be precisely higher where the traffic returns would be the lowest: so that if each Province were required to pay for the formation of the line through its own territory, and to receive the returns from the traffic through the same, it would follow, that while the expense to New Brunswick would be the greatest, its receipts would be the smallest. On the other hand, as I have just observed, one of the most important sources of profit from the construction of such a railway as that now in contemplation would arise from the sale of land of which the value would be increased by the work; and it appears from the papers before me, that New Brunswick would probably derive a greater profit from that source than the two Sister Provinces. Whether the result upon the whole would be, that each Province, considering these various circumstances, ought to take upon itself the construction of the railway through its own territory, or whether, on the contrary, any one should be assisted by the others, is a point on which I have not the means of forming a judgment; and I would suggest to you, that the best course, with a view of arriving at some practical result, would be, that a deputation from the Executive Councils of the two Lower Provinces should proceed to the seat of Government in Canada, in order to confer with your Lordship and with your Council for the purpose of coming to some agreement upon the subject, which, after being approved by the Legislatures of the several Provinces, might be submitted for the sanction of Parliament.

6. It does not appear to me that if such a conference should be held, it need occupy any very great length of time, or that much difficulty would arise in coming to an arrangement for the construction and working of the projected railway, by which the expense of the undertaking on the one hand, and the advantages to be derived from it on the other, might be fairly apportioned between the different Provinces. Hereafter I may probably be enabled to offer some suggestions as to the manner in which this might be accomplished; but at present I have only to add, that I shall transmit copies of this despatch to Sir Edmund Head and to Sir John Harvey, with instructions to communicate with your Lordship without delay on the important subject to which it relates; and it will give me the highest satisfaction if the result of these communications should be the undertaking of a work, which, if completed, cannot, I believe, fail to add greatly to the prosperity of the British Provinces in North America, and at the same time to give additional strength to the ties which connect them with each other and with the British Empire.

I am, &c.,

GREY.

(Signed)

The Rt. Hon. the EARL OF ELGIN AND KINCARDINE.

DOWNING STREET, 12th June, 1851.

SIR,—I have to acknowledge the receipt of your Despatch No. 16, of the 7th April, transmitting certified copies of 3 Acts passed by the Legislature of New Brunswick in its last session, entitled respectively "An Act to incorporate the European and North American Railway Company,—(2061); and an Act to facilitate the construction of the European and North American Railway (2062); and an Act to facilitate the construction of a Railway from St. Andrews to Quebec."—(2063.)

Having referred these Acts for the consideration of the Commissioners of Railways, I have received from these officers a Report of which I now transmit a copy for your information.

Although it would appear that the most important of these Act (that numbered 2061) is in some respects defective, I do not consider it necessary to recommend its disallowance on account of the imperfections pointed out by the Commissioners. I trust without doing so, and thus delaying the commencement of the work, a sufficient opportunity for reconsidering the subject will be secured to the Legislature of New Brunswick, by my deferring to submit the Act numbered 2062 for Her Majesty's confirmation. By this Act it is proposed that pecuniary assistance from the Colonial Treasury, to a very considerable amount should be given to the Company to enable them to construct the proposed Railway. To this I have no objection—on the contrary, I believe that in the present state of New Brunswick, it is consistent with sound policy that assistance should be given by the public towards the construction of the great leading lines of Railways; and the particular line now suggested for encouragement is one which I think deserves it, for though it appears to me one of less importance than the projected line from Halifax to Quebec, I regard it as not being calculated at all to interfere with the lat-

ter (if properly regulated,) but on the contrary, to contribute to its success. But while I am prepared to advise that Her Majesty's sanction should be given to a measure for affording assistance to this line on the principle proposed by the Act now under my consideration, I consider it inexpedient that this should be done until the Legislature shall have had an opportunity of reconsidering the Act No. 2061, and that the proposed assistance to the Company should only be granted on condition of its assenting to such amendments of this Act as may then be found advisable. I trust that the Legislature will carefully consider all the remarks of the Commissioners, as I consider them to be of much importance, and I fear that the interests of the Province may hereafter be exposed to serious injury if the amendments in the Act which are suggested are not now made; but there are only two of these amendments on which as affecting the interests of the Empire at large, as distinguished from those of the Province alone. I consider it necessary to insist before Her Majesty can be advised to sanction the grant of pecuniary assistance to the Company. The two amendments which I consider to be indispensable are those pointed out by the Commissioners as being required to secure the use on fair terms for the traffic between Halifax and Quebec, of that part of the line of Railway now proposed to be constructed which will be common to the two lines, and secondly the conveyance of Her Majesty's Troops and stores for their use, along the line at reasonable rates of charge.

I am not as yet enabled to express a positive opinion whether the Act No. 2063 ought to be confirmed; this question is still under consideration, but I hope to have it in my power to inform you by an early opportunity what decision may be adopted with respect to it.

In conformity with what I have now stated, the Act No. 2061 will be submitted to Her Majesty on the first opportunity, in order that it may be left to its operation. The Acts Nos. 2062 and 2063 will not be laid before the Queen for the present.

I am, &c.,

[Signed]

GREY.

[EXTRACT.]

OFFICE OF COMMISSIONERS OF RAILWAYS, }
Whitehall, 2nd June, 1851. }

SIR—I am directed by the Commissioners of Railways to acknowledge the receipt of your letter of the 24th ultimo, enclosing copies of three Acts, passed by the Legislature of New Brunswick, entitled respectively—No. 2061, "An Act to Incorporate the European and North American Railway Company." No. 2062, "An Act to facilitate the construction of the European and North American Railway"—and No. 2063, "An act to facilitate the construction of a Railway from St. Andrews to Quebec"—and I am to acquaint you in reply for the information of Earl Grey, that agreeably to His Lordships request, the Commissioners have taken these Acts into their consideration, and have made the following observations upon their provisions.

By the Act No. 2061, it is proposed to incorporate a Company for the purpose of making a Railway, which in section 3 is described as "A Railway to run from

some point or place from the Eastern boundary of the Province of New Brunswick in the Co. of Westmoreland so as best to connect with a Railway to be constructed from the City of Halifax, or some other port on the Eastern coast of the Province of Nova Scotia, on the Atlantic Ocean, over the most practicable route through the Province of New Brunswick, so as best to connect with a Railway to be constructed from the City of Bangor, in the United States of America, to the Eastern part of the State of Maine."

It appears probable that the direction of a considerable portion of this line, near the Eastern Boundary of New Brunswick, will coincide with that of the projected Railway from Halifax to Quebec, the construction of which has already engaged the attention of Earl Grey as an undertaking calculated to promote the interests both of the Colonies and of the Mother Country, and therefore entitled to encouragement and assistance on the part of H. M. Government. It appears from Mr. Hawes' letter to Mr. Howe of the 10th March, 1851, that one of the conditions of affording that assistance would be, the proposed Railway should be an entire line from Halifax to Quebec, passing wholly through British territory, but it would not be considered an objection to the plan, that it included a provision for establishing a communication between the Railway and the Railways of the United States. The above mentioned portion of the Railway proposed in the present Act might therefore form part of the main line of the Halifax and Quebec Railway; and as it would be expedient that the whole of that line should be under the same management, the Commissioners suggest that it might be advisable to stipulate with the Company incorporated by this Act, that in the event of arrangements being made for the construction of the Railway from Halifax to Quebec through this part of the Province of New Brunswick, it should be obligatory on the Company to transfer the common portion of the line to the parties entrusted with the construction of the Halifax and Quebec Railway, or a sum equivalent to the outlay incurred by the Company in making that portion of the line; and with this view, that the accounts relative to its construction should be kept in such a manner as to afford the means of apportioning the outlay accordingly.

The Commissioners proceed to consider certain provisions of this Act, which appear to them to call for remark.

In the 1st section, provision is made for submitting the Company's bye-laws to the Governor of the Province for his approval, but no power is reserved (as in the Imperial Act for the regulation of Railways, 3 and 4 Vict., c. 97., s. 9,) of disallowing the bye-laws at any future time after they shall have come into operation — and this power appears to be necessary for the completeness of the control over the bye-laws intended to be vested in the Governor, who would otherwise have no cause of suspending the operation of a bye-law that was found to be objectionable.

By section 5, the Directors are authorized until the Railway is completed, to pay interest to the Shareholders on the amount of the calls paid up by them. In former reports on New Brunswick Railway Acts, containing a similar provision, the Commissioners took occasion to observe that provisions of this kind were frequently at one time inserted in English Railway Acts, but in the Session of 1847 a Resolution was passed by both Houses of Parliament, (which has been since adopted as a standing order,) requiring the insertion in every Railway Bill of a clause prohibiting the payment of interest out of capital, and it might therefore be worthy of consideration whether the reasons that led to that Resolution were equally applicable to the Colony.

By Section 28, it is provided that the Act shall not be revoked, altered or amended, without the consent of the Company. This is inconsistent with the

first recommendation in Mr. Secretary Gladstone's Circular Despatch, of the 15 January, 1846, and the clause there referred to as proper to be inserted in all Colonial Railway Acts—viz: "That nothing herein contained shall be construed to except the Railway by this Act, authorized to be made from the provisions of any general Act relating to Railways which may be passed during the present, or any future Session of Parliament." A clause of this kind is invariably inserted in English Railway Acts.

Section 88, after providing for the level crossings of Roads, authorizes the Company "if they deem it more conducive to the public safety to substitute a bridge over or under the Railway for the level crossing."

The Commissioners would suggest that a matter of so much importance to the public should not be left entirely to the discretion of the Company, but that power should be reserved to the Governor of the Province, or some other public officer, requesting the Company to make the alterations which the increase of traffic on the roads arising from that on the Railway may hereafter render necessary, although at present, a level crossing may be allowed without danger.

Section 55 gives the Company the power of levying tolls for the conveyance of passengers and goods. But the Act does not provide any scale of maximum charges for such conveyance. And this defect does not appear to be remedied by the power of revising the tolls and the option of purchasing the Railway reserved to the Government by the 55th and 57th Sections.

The exercise of those powers is dependent upon the event of the Company's profits exceeding a certain rate per cent. on their capital. In former communications addressed to the Colonial Office, the Commissioners have stated that although such provisions may have been introduced into Colonial Railway Acts for the purpose of thus intimating the possibility of future revision and purchase, yet, in their opinion, it may be questionable whether they can have any other practical effect.

The provisions in Section 61, with respect to the conveyance of Troops, appear to be defective in not specifying the terms and conditions of conveyance, as provided by the corresponding enactments of the Imperial Act 7 and 8 Vict: c. 85, s. 12.

The 59th section adopts the provisions of the 13th Section of the Imperial Act 7 and 8 Vict: c 85 with regard to the power of the Government to establish a line of Electrical Telegraph on the Railway; but does not contain any clause similar to the 14th Section of that Act, for providing that the Telegraph subject to the prior right of use by the Government, shall be open to all persons, without favour or preference and at equal charges.

In the absence of any general Legislation on the subject of Railways in this Colony, it is necessary that every New Brunswick Railway Act should comprise within itself the whole of the provisions that may be considered requisite for the protection of the public interests. Provisions is made by the present Act for the conveyance of Mails and Troops, for laying down an Electrical Telegraph on the line of the Railway, and for making returns of traffic and accidents. But of the other matters which in this Country have been made the subject of general legislation with a view to the public safety and convenience, the Commissioners would particularly observe that the Act does not contain any provisions similar to those of the Imperial Acts relating to cheap Trains, the appointment of Inspectors, and the opening of the Railway after notice and inspection, and the construction of Bridges and Roads.

The Commissioners are desirous to draw the attention of Lord Grey to these variations from the course pursued in legislating upon Railways in the Country, leaving it as a matter entirely for His Lordship's consideration, what degree of importance is to be attached to them, with reference to the local circumstances of the Colony, and whether any correction may be called for in the way of supplementary legislation.

(Signed,)

J. L. S. SIMMONS,
Captain Royal Engineers.

